

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Environment and Transport
Date:	16 January 2018
Title:	Stubbington Bypass Procurement Strategy
Report From:	Director of Economy, Transport and Environment

Contact name: Andrew Tiffen

Tel: 01962 847215

Email: andrew.tiffen@hants.gov.uk

1. Recommendations

- 1.1. That authority is delegated to the Director of Economy, Transport and Environment to progress the procurement of the Early Contractor Involvement (ECI) and subsequent construction of the Stubbington Bypass Road Scheme (“the Scheme”) under a two phase process: Phase one of the process to involve the provision by the successful supplier of construction and cost advice; Phase two to be for the main works construction.
- 1.2. That the Executive Member for Environment and Transport delegates authority to the Director of Economy, Transport, and Environment to make contingency arrangements ensuring that alternative options are available in the event that the successful contractor fails to deliver Phase One to a satisfactory standard.
- 1.3. That in addition to the £3.5million funding provided by the Solent LEP for land acquisition and enabling works, the additional £2million of DfT funding awarded to the Solent LEP for the scheme is used to further develop the business case and to cover scheme preparation costs subject to a funding agreement with the Solent LEP.

2. Executive Summary

- 2.1. This paper sets out the process to procure pre-construction advice and also the works contract to deliver the Scheme, and seeks approval to enter into a two phase tender process.
- 2.2. This paper also seeks approval to spend £2million of DfT funding once a funding agreement with the Solent LEP is in place. These funds have been provided to the Solent LEP for the development of the business case and scheme preparation costs.

3. Contextual information

- 3.1. The Scheme forms part of the wider strategy to improve access to Fareham and Gosport by reducing congestion on the existing highway network in order to support economic development and regeneration within the sub region. This

scheme forms one of the final parts of the package of schemes designed to improve access to Fareham and the Gosport Peninsula. It will follow the completed improvements to the northern section of Newgate Lane, the Peel Common roundabout, the St Margaret's roundabout, and the improvements to the A27 (between Segensworth and the Titchfield Gyratory) and the southern section of Newgate Lane, which are currently under construction. Together with these works, the Scheme aims to contribute towards the overall reduction of journey times and improved journey time reliability across the Peninsula, especially at peak times through the provision of increased road capacity and improved traffic management.

- 3.2. In November 2014 a report to the Executive Member for Economy, Transport and Environment regarding 'Improving Access to Fareham and Gosport', recommended that: 'the preferred schemes as outlined in the report are approved as Council policy, are formally safeguarded and are progressed with immediate effect.' Further to this recommendation, preliminary and early detailed design work was progressed in relation to the layout for the Stubbington Bypass, developed along the preferred option alignment identified following a public consultation exercise in summer 2014.
- 3.3. In July 2015 a report to the Executive Member for Economy, Transport and Environment confirmed the detailed alignment for the Stubbington Bypass and associated improvements to Gosport Road and Titchfield Road. The approved alignment is consistent with that submitted and approved as part of the planning application for the scheme.
- 3.4. In July 2017 a report to the Executive Member for Environment and Transport regarding 'Stubbington Bypass – Enabling Work and Land Approvals' recommended that all development work required to progress the Scheme to full DfT approval be undertaken. These included:
 - the acquisition of all third party interests in any land and any necessary rights required for or to facilitate/enable the delivery of the proposed scheme.
 - all enabling and environmental works for the scheme, to ensure that delivery can commence.
 - all appropriate Orders, Notices or Statutory procedures and any required consents, rights or easements.

4. Finance

- 4.1. A Funding Agreement was signed in March 2017 between the County Council and the Solent LEP for an initial advance of £3.5million up front funding provided for 2017/18 specifically to enable land acquisition, the making of a Compulsory Purchase Order, and enabling works to take place this year if possible.
- 4.2. The DfT have also provided a further £2million to the Solent LEP for development of the business case or scheme preparation costs. The LEP has agreed to signing a funding agreement with the County Council for these funds once the original £3.5million funding has been exhausted.
- 4.3. The first phase of the works contract can be funded by either of the above two funding agreements which form a total pot of £5.5million. Phase two of the

contract will not be progressed until full approval and funding for the scheme is in place and the Project Appraisal has been approved, and as such will be funded from the remaining £28.5million main scheme capital subject to separate award and approval processes.

5. The Procurement Process

- 5.1. A procurement strategy has been designed to encompass particular constraints of the project with particular reference to funding requirements, design and construction periods, together with the planned acquisition of land and works associated with statutory services.
- 5.2. Following a procurement strategy workshop, a different procurement strategy from the traditional separate elements of design, tender and construction has been identified as the preferred approach. The approach involves the appointment of a contractor earlier in the process to enable the best use of collaborative knowledge regarding buildability, programming and technical expertise to be used during the design phase with both design and construction teams. This approach has been approved by the Project Board and the DfT have been made aware and are supportive.
- 5.3. The procurement route includes commercial and quality selection methods utilising the existing GEN 3-3 frameworks, which is the mechanism set up by Hampshire County Council to make efficient procurement of capital works on the highway. This will provide a transparent selection of the most suitable contracting partner. Once selected, joint production of the target with design and construction teams will be supplemented by appropriate incentives.
- 5.4. The first phase of the works contract will allow the County Council to engage in Early Contractor Involvement (ECI) and produce a target cost for the construction works. By working alongside the preferred contractor the authority will have the opportunity to reduce the risks associated with the construction phase, and will also gain a better understanding of the works cost prior to releasing the second phase of the works contract.
- 5.5. The second phase will not be released until: satisfactory completion of phase one; full approval has been given by the DfT; and the Project Appraisal has been approved by the Executive Member for Environment and Transport. Once approval has been granted and full funding is in place, the County Council will release phase two for award of the construction works and the contractor will commence the works.

6. Consultation and Equalities

- 6.1. The public consultation exercise undertaken in Summer 2014 on Improving Access to Fareham and Gosport, the results of which were reported in the Executive Member for Economy Transport and Environment report of November 2015, identified that 75% of respondents supported the preferred route for the Stubbington Bypass.
- 6.2. The support identified above was distributed across the peninsula with the main clusters of support located in Stubbington Village and around the southern end of the Newgate Lane and Peel Common areas. Objection to the scheme included only one cluster of objection in Ranvilles Lane.

6.3. At least 70% of respondents regarding the Bypass were generally satisfied that the main issues of traffic, drainage, environment, ecology, landscape, proximity to properties, design, and accessibility identified in the questionnaire had been taken into account, notwithstanding additional comments which may have been made seeking clarification or identifying areas of concern. The biggest concern was the proximity of the route to properties.

7. Future direction

7.1. The current intention is to go out to tender to procure pre-construction advice and the works contract in January 2018, and award the contract releasing phase one in April 2018. Phase two of the contract will be released towards the end of the 2018/19 financial year, following DfT Full Approval and the approval of the Project Appraisal.

7.2. In line with the Stubbington Bypass – Enabling Work and Land Approvals paper, which has already been approved, the following list highlights some of the enabling and environmental works that will take place throughout the ECI process in order to progress the Scheme to full business case approval and delivery to the agreed timescales.

- Water Vole habitat creation;
- Soil investigations;
- Trail hole investigations;
- Existing drainage CCTV investigation; and
- Archaeological surveys.

7.3. These enabling works are essentially required in advance of the main works contract to ensure that the timescales and seasonal constraints associated with environmental mitigation are met, that constraints are better understood, and that any identified risks can be mitigated prior to finalising the design and preparing the contract documents for the main works.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	No
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
EMETE Report ; Improving Access to Fareham and Gosport – Report of Consultation'	01 Nov 2014
EMETE Report : ' Stubbington Bypass Update Report'	09 Jul 2015
Capital Funding Approval (Item 10)	22 Sep 2016
Stubbington Bypass – Enabling Work and Land Approvals	11 Jul 2017
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

In itself, this decision has no impact on groups with protected characteristics as it concerns a procedural matter of procurement. However, all contract documentation will include clauses for the Council's equalities policies, procedures and standards. Suppliers will have to comply with these at all times. The Project Appraisal for the scheme will be subject to its own equality impact assessment.

2. Impact on Crime and Disorder:

2.1. None.

3. Climate Change:

(a) How does what is being proposed impact on our carbon footprint / energy consumption?

The proposed strategy to improve access to Fareham and Gosport seeks to reduce congestion and journey time delay, particularly in central areas, which can help to minimise carbon emissions.

(b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Areas where traffic levels reduce will also experience significant benefit in terms of reduced air pollution.